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S E C R E T SECTION 01 OF 03 CAIRO 000722

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FROM AMBASSADOR SCOBEEY FOR AMBASSADOR ROSS
ABU DHABI PLEASE PASS TO ROSS DELEGATION

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TAGS: [PREL](#) [PARM](#) [KPAL](#) [IS](#) [LE](#) [SU](#) [IR](#) [EG](#)
SUBJECT: SCENESETTER FOR AMBASSADOR ROSS' VISIT TO EGYPT

REF: A. CAIRO 705
[1](#)B. CAIRO 618
[1](#)C. CAIRO 451

Classified By: Ambassador Margaret Scobey for reason 1.4 (b).

[1](#)1. KEY POINTS:

-- (S) President Mubarak sees Iran's attempts to exert influence throughout the region as Egypt's primary strategic threat. However, Mubarak's focus on the Iranian threat differs somewhat from ours. While he will readily admit that the Iranian nuclear program is a strategic and existential threat to Egypt and the region, he sees that threat as relatively "long term." What has seized his immediate attention are Iran's non-nuclear destabilizing actions such as support for HAMAS, media attacks, weapons and illicit funds smuggling, all of which add up in his mind to "Iranian influence spreading like a cancer from the GCC to Morocco."

-- (S) In particular, Egypt views Iran as an adversary that is trying to undermine GOE efforts on Palestinian reconciliation and preventing weapons smuggling to Gaza, while endangering key GOE interests such as stability in Lebanon and Sudan.

-- (S/NF) The GOE remains concerned with Iranian efforts to interfere in Gaza, Lebanon, Iraq and Sudan, and Egypt views the recently dismantled Sinai Hizballah cell as an unacceptable Iranian escalation.

-- (S) The MFA believes that a harder U.S. line in UN fora on Israel's nuclear program would strengthen the U.S. position on demanding Iran cease working to develop nuclear weapons.

[1](#)2. (S) Ambassador Ross, welcome to Egypt. Your visit comes as Egypt continues its efforts to mediate a permanent cease-fire between Israel and Hamas, to facilitate intra-Palestinian negotiations and to stop the smuggling of arms into Gaza. The GOE realizes that Iran is working to undermine all of these Egyptian efforts. Many Egyptians see the new U.S. Administration as a cause for optimism in both the bilateral relationship and in U.S. engagement with the region. President Mubarak appears ready to accept President Obama's invitation to visit Washington within the next several months, which will mark his first visit to Washington since April 2004. Special Envoy for the Middle East Senator George Mitchell has visited Egypt and the region three times. While President Mubarak unfortunately will not be available, we have requested meetings for you with Foreign Minister Aboul Gheit, Intelligence Chief Omar Soliman, Arab League Secretary-General Amre Moussa, National Democratic Party Assistant Secretary-General Gamal Mubarak and Interior Minister Habib Al-Adly.

President Mubarak

13. (S/NF) President Mubarak has made it clear that he sees Iran as Egypt's -- and the region's -- primary strategic threat. His already dangerous neighborhood, he has stressed, has only become more so since the fall of Saddam, who, as nasty as he was, nevertheless stood as a wall against Iran, according to Mubarak. He now sees Tehran's hand moving with ease throughout the region, "from the Gulf to Morocco," as he told a recent congressional delegation. The immediate threat to Egypt comes from Iranian conspiracies with Hamas (which he sees as the "offspring" of his own most dangerous internal political threat, the Muslim Brotherhood) to stir up unrest in Gaza, but he is also concerned about Iranian machinations in Sudan and their efforts to create havoc elsewhere in the region, including in Lebanon via Hezbollah. While Tehran's nuclear threat is also a cause for concern, Mubarak is more urgently seized with what he sees as the rise of pan-Shi'ism and Iranian attempts to dominate the Middle East.

14. (S) The Egyptians have been clear they do not intend to resume normal diplomatic ties with the Iranians until specific political and security issues are addressed, including the renaming of "Islambouli Street" named after Sadat's assassin. The GOE recognizes that Iran's long arm has extended into Gaza via Hamas, but the same time, they are worried that we are going to strike a "grand deal" with the Iranians. Accordingly, the Egyptian MFA has reported to us that they are in touch with the Iranians and "listen" to them on regional issues. The prevailing GOE view remains a principled rejection of any diplomatic rapprochement, but we

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believe the Egyptians are maintaining contact in the event there is a need for a quick shift in their approach. The Egyptians are also marginally increasing cultural and economic ties with Iran. The Egyptians are also concerned about Iranian Shi'a proselytizing in Egypt.

EGIS Chief Omar Soliman

15. (S/NF) Soliman, the key GOE advisor on national security policy after President Mubarak, recently told us that Egypt has started a confrontation with Hezbollah and Iran and will not allow Iran to operate in Egypt. Soliman has noted that after the GOE's recent arrest of a Hizballah cell in the Sinai, Egypt had sent a clear message to Iran that if they interfere in Egypt, Egypt will interfere in Iran, adding that EGIS had already begun recruiting agents in Iraq and Syria. Soliman has warned us against only focusing on one issue at time, such as Iran's nuclear weapons program. He believes Iran must pay the price for its actions and not be allowed to interfere in regional affairs. Soliman has offered GOE cooperation on Iran, and welcomes a U.S.-Egyptian partnership on combating Iranian influence in the region.

16. (S/NF) Soliman recently noted that Iranian financial support to Hamas amounted to \$25 million a month, but that Egypt was "succeeding" in preventing financial support from entering Gaza through Egypt. According to Soliman, Iran has tried several times to pay the salaries for the al-Qassam Battalions, but Egypt had succeeded in preventing the money from reaching Gaza. Soliman has expressed concern over Hezbollah's first attempt to stand up a cell within Egypt, and noted to us that Iran was also trying to recruit support from the Sinai Bedouins, he claimed, in order to facilitate arms smuggling to Gaza.

Foreign Minister Aboul Gheit

17. (C) Aboul Gheit has speculated that the new U.S.

Administration will engage with Iran, but will be disappointed in late 2009 or early 2010 when it realizes that Iran will not stop its enrichment activities. Aboul Gheit believes Israel may then attack Iran. According to Aboul Gheit, the "intransigence" of Israel and Iran will place the U.S. in an awkward position with the Islamic world. Aboul Gheit will reiterate President Mubarak's strong opinion that the only real solution is a nuclear free zone in the Middle East, which would require Israel to give up its nuclear weapons. Aboul Gheit believes that while the U.S. may not perceive a nuclear-armed Israel as a threat, it is so perceived throughout the Middle East. In the Foreign Minister's opinion, if the U.S. pushed Israel to renounce nuclear weapons, the U.S. and Arab governments would be in a much stronger position to demand that Iran end its nuclear program.

18. (C) MFA officials have made it clear to us that they do not expect Israel to give up its nuclear weapons in the absence of comprehensive regional peace; however, the GOE is frustrated with what it perceives as a lack of political progress in international fora to advance the Middle East Resolution that came out of the 1995 Nuclear Proliferation Treaty (NPT) Review Conference, which called in part for a Middle East Nuclear Weapons Free Zone (MENWFZ). The GOE's campaign for progress on the eventual establishment of a MENWFZ -- even if the ultimate goal remains far in the future -- will likely guide their approach to the 2009 NPT Preparatory Conference in May and the 2010 NPT Review Conference.

Arab League Secretary-General Moussa

19. (C) Moussa has publicly and privately minimized Iran's threat, claiming that the Arab world should strengthen its economic and cultural ties with Iran. Moussa believes that the Israeli-Palestinian conflict poses the greatest danger to the region, and has consistently pressed the U.S. to do more to stop Israeli settlement activity and advance the political process between Israelis and Palestinians. The Arab League's views on the importance of advancing a Middle East nuclear weapons free zone are similar to those of the MFA. Moussa also plays an important role in trying to manage intra-Arab squabbles, including Qatar-Syria vs. Egypt-Saudi Arabia. The Egyptians have made it clear that they consider the Qataris

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"nouveau riche upstarts" who are trying to buy their way to influence via big spending and posing as the "true" champions of the Palestinian cause by allying themselves with Syria and Iran. The Qatari attempt to invite Iran to the Doha Arab League summit incensed the Egyptians, many of whom blamed Moussa for mismanaging the issue.

Interior Minister Adly

110. (S) Interior Minister General Habib Al-Adly focuses on counterterrorism and suppressing domestic political opposition. He will not offer strategic analysis of Iran role in the region, but should be able to provide details on the nascent Hizballah cell in the Sinai, which the GOE recently dismantled and arrested. Adly may also be able to share information on the steps the GOE is taking to disrupt the flow of Iranian-supplied arms from Sudan through Egypt to Gaza. In March, he told us that Egyptian police had killed arms smugglers trying to transfer weapons from Sudan into Egypt (ref C). He has described GOE efforts to combat smuggling over the long Egyptian-Sudanese border region as "difficult."

Gamal Mubarak

¶11. (C) Ruling National Democratic Party (NDP) Assistant Secretary-General and Presidential son Gamal Mubarak does not currently play a significant role in Egypt's formal foreign policy process, focusing instead on NDP matters and economic development. Gamal's recent trip to Washington raised his political profile in Egypt, and he is of course a possible successor to his father. As a UK-trained former international banker, Gamal is perhaps most at home discussing economics and the current financial crisis.

Internal Politics and Economics

¶12. (SBU) We continue to promote democratic reform in Egypt, including the expansion of political freedom and pluralism, and respect for human rights. Egyptian democracy and human rights efforts, however, are being stymied, and the GoE remains skeptical of our role in democracy promotion, complaining that any efforts to open up will result in empowering the Muslim Brotherhood, which currently holds 86 seats in Egypt's 454-seat parliament. Economic reform is ongoing although Egypt still suffers from widespread poverty affecting 35-40% of the population. Egyptian-U.S. trade has more than doubled in the last four years, reaching almost \$9 billion in 2008. The U.S. exports to Egypt about twice as much as it imports. Egyptian banks operate very conservatively and have been spared involvement in risky financial products, but the effects of the global economic crisis on Egypt are beginning to be felt. As the global credit crunch worsens, Egypt remains vulnerable as exports, Suez Canal revenues, tourism, and remittances -- its largest sources of revenue -- are all down and likely to continue to fall.
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